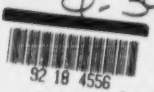
04434
0-14881



92 18 4556

FORM 10-Q

Manually signed on page 16

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

RECD O M O
JUL 14 1992
130

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-14019

SEC 2239

BEST COPY AVAILABLE

Ridgewood Properties, Inc.

(Exact name of registrant as specified in its charter)

Delaware	58-1656330
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

PROCESSED BY
26-16-H
JUL 17 1992

2859 Paces Ferry Road, Suite 700
Atlanta, Georgia
30339

(Address of principal executive off
(Zip Code)

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

(404) 434-3670

130

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ✓ No _____

Common stock, par value $.01 per share - 48,908 shares outstanding at May 31, 1992.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MAY 31, 1992 AND AUGUST 31, 1991

($000'S Omitted, except per share data)

ASSETS	(Unaudited) May 31, 1992	August 31, 1991
Real Estate Investments:		
Real Estate Properties --		
Operating Properties (Note 6)	$ 24,552	$ 28,777
Land Held for Sale or Future Development	12,512	12,221
Single Family Subdivisions	573	1,390
	37,637	42,388
Mortgage Loans	825	843
Total real estate investments	38,462	43,231
Allowance for Possible Losses (Note 3)	(3,390)	(3,390)
Net real estate investments	35,072	39,841
Cash and Temporary Investments	2,777	1,792
Mobile Home Inventory	1,333	1,671
Other Assets	1,261	1,315
	$ 40,443	$ 44,619

The accompanying notes are an integral part of these consolidated financial statements.

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MAY 31, 1992 AND AUGUST 31, 1991

($000's Omitted, except per share data)

LIABILITIES AND SHAREHOLDERS' INVESTMENT	(Unaudited) May 31, 1992	August 31, 1991
Accounts Payable	$ 130	$ 248
Accrued Salaries, Bonuses and Other Compensation	563	609
Accrued Property Tax Expense	272	472
Earnest Money Deposits	194	308
Accrued Interest and Other Liabilities	571	301
Current Portion of Long-Term Debt (Note 5)	2,000	--
Notes Payable (Note 5)	630	15,797
Long-Term Debt, Less Current Portion (Note 5)	12,438	--
Total Liabilities	16,798	17,735
Commitments and Contingencies (Note 7)		
Shareholders' Investment (Notes 1 & 4)		
Preferred Stock, $1 par value, 500,000 shares authorized, none issued	--	--
Common Stock, $.01 par value, 1,000,000 shares authorized, 48,908 shares issued and outstanding at May 31, 1992 and 52,754 issued and outstanding at August 31, 1991	--	1
Paid-in Surplus	26,320	28,118
Retained Earnings since December 30, 1985	(2,675)	563
Note Receivable-Stock Purchase Agreement	--	(1,798)
	23,645	26,884
	$ 40,443	$ 44,619

The accompanying notes are an integral part of these consolidated financial statements.

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARIES

STATEMENTS OF CONSOLIDATED LOSS

FOR THE THREE AND NINE MONTHS ENDED MAY 31, 1992 AND MAY 31, 1991

($000's Omitted, except per share data)

(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 1992	May 31, 1991	May 31, 1992	May 31, 1991
REVENUES:				
Operating revenues from real estate properties.....	$ 1,892	$ 1,779	$ 5,217	$ 5,041
Sales of real estate properties (Note 6).....	4,680	904	4,880	1,456
Mobile home sales	418	1,417	3,673	3,610
Income from loans and temporary investments	22	53	96	188
Other	31	12	49	34
	7,041	4,162	13,715	10,329
COSTS AND EXPENSES:				
Expenses of real estate properties	1,336	1,433	4,132	4,022
Expenses of real estate sales	4,671	667	4,698	1,280
Expenses of mobile home sales	788	1,535	4,310	4,323
Depreciation on real estate properties	377	374	1,153	1,116
Interest expense	293	351	936	1,157
General, administration and other	616	618	1,724	1,885
	8,059	4,978	16,953	13,783
LOSS BEFORE INCOME TAXES	(1,018)	(816)	(3,238)	(3,454)
BENEFIT FOR INCOME TAXES	--	226	--	235
NET LOSS	(1,018)	(590)	(3,238)	(3,219)
LOSS PER SHARE (NOTE 6)	$ (20.78)	$ (12.04)	$ (66.08)	$ (65.69)

The accompanying notes are an integral part of these consolidated financial statements.

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED MAY 31, 1992 AND MAY 31, 1991

Increase in Cash and Cash Equivalents

($000's Omitted)

	1992	1991
Cash flows from operating activities:		
Net loss	$ (3,238)	$ (3,219)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	1,153	1,116
Amortization	115	69
Gain from sale of real estate property	(57)	(236)
Decrease in single family subdivisions	817	672
Decrease (increase) in mobile home inventory	338	(13)
Decrease in income tax receivable	--	348
Decrease (increase) in other assets	(67)	56
Decrease in accounts payable and accrued liabilities	(208)	(31)
Decrease in deferred income tax	--	(236)
Total adjustments	2,091	1,725
Net cash used by operating activities	(1,147)	(1,494)
Cash flows from investing activities:		
Principal payments received on mortgage loans	6	18
Foreclosures on mortgage loans	18	--
Proceeds from sale of real estate	3,717	648
Additions to real estate properties	(879)	(1,005)
Net cash provided (used) by investing activities	2,862	(339)
Cash flows from financing activities:		
Purchase and retirement of common stock	(1)	(70)
Proceeds from notes payable	1,545	4,206
Repayments of notes payable	(2,274)	(2,045)
Net cash provided (used) by financing activities	(730)	2,083
Net increase in cash and cash equivalents	$ 985	$ 250
Cash and cash equivalents at beginning of year	1,792	1,002
Cash and cash equivalents at end of year	$ 2,777	$ 1,252

The accompanying notes are an integral part of these consolidated financial statements.

RIDGEWOOD PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 1992 AND MAY 31, 1991
(Unaudited)

1. GENERAL:

Ridgewood Properties, Inc. (the "Company") is engaged in the business of acquiring, developing, operating and selling real property located primarily in the Southeast and Sunbelt areas. The Company was incorporated in Delaware on October 29, 1985.

The Company's common stock is currently being traded in the broker-dealer "Pink Sheets" in the over-the-counter market. During the third quarter of fiscal year 1992, the Company purchased and retired 3,846 shares of the Company's common stock subject to a repurchase agreement with its President. Intermark, Inc. ("Intermark") is the owner of approximately 75% of the Company's outstanding shares of common stock. Mr. Charles R. Scott, a director of the Company, serves as Chairman of the Board and a director of Intermark. On March 31, 1992, Intermark and its wholly-owned subsidiary, Triton Group Ltd. ("Triton"), filed a preliminary registration statement with the Securities and Exchange Commission indicating their intent to solicit their bondholders' and shareholders' acceptance of a prepackaged plan of reorganization under Chapter 11 of the United States Bankruptcy Code ("Chapter 11"). Although Triton has failed to make scheduled payments on its subordinated debt, at present the creditors of Intermark and Triton have agreed to certain forbearance and standstill arrangements (which will terminate on July 30) to allow additional time to negotiate a pre-packaged or pre-negotiated plan of reorganization.

If, as a result of the foregoing proceedings or otherwise Intermark either disposes or is required to dispose of its equity interest in the Company, a change of control of the Company would occur.

Prior to December 31, 1985, the Company operated under the name CMEI, Inc.

The accompanying financial statements of the Company present the historical cost basis amount of assets, liabilities and shareholders' investment of the real estate business for the periods presented. The consolidated financial statements include the accounts of the Company, its

wholly-owned subsidiaries and its joint venture investments after the elimination of all intercompany amounts.

2. BASIS OF PRESENTATION:

The accompanying consolidated financial statements have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, which are necessary to present fairly the financial position, results of operations and changes in financial position for the interim periods covered by this report. Although certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, management believes that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended August 31, 1991. The results of operations for the nine months ended May 31, 1992 are not necessarily indicative of the results to be expected for the fiscal year ending August 31, 1992.

The Company is currently generating net operating loss carryforwards for both book and tax purposes which may be used to offset future income. In February 1992, the Financial Accounting Standards Board issued a new standard on accounting for income taxes. SFAS 109 mandates the asset and liability method for computing deferred income taxes. The Company is required to adopt the new accounting and disclosure rules no later than its fiscal year ending August 31, 1994. The Company has not decided when to implement the new pronouncement, nor has it decided whether to restate prior financial statements. Because of the complexities of the new accounting requirements, the effect that the change may have on the Company's reported consolidated financial position and results of operations has not been determined.

For the purpose of the Statement of Cash Flows, cash includes cash equivalents. Cash equivalents include all highly liquid investments with maturity of three months or less.

The Company carries mobile home inventory at cost, determined by the specific identification method, or market, whichever is lower.

3. ALLOWANCE FOR POSSIBLE LOSSES:

No changes in the allowance for possible losses for the nine months ended May 31, 1992 and 1991 were made.

4. SHAREHOLDERS' INVESTMENT:

Loss Per Common Share --

Loss per common share is calculated based upon the weighted average number of shares outstanding of approximately 49,000 for the three months and nine months ended May 31, 1992 and 1991.

Repurchase of Common Shares --

During the third quarter of fiscal year 1992, the Company purchased and retired 3,846 shares from its President, which were subject to a stock repurchase agreement, for $854.11 per share. The Company cancelled the notes and interest related to the original stock purchase and paid approximately $114,000 to the President for the amount of the purchase exceeding the notes and interest.

5. NOTES PAYABLE:

Effective December 31, 1991, the Company's Revolving Line of Credit expired and the outstanding principal balance of $15,000,000 converted to a term loan. In January 1992 the term loan was amended to postpone principal payments for seven months. Under the amended agreement, interest accrues at the rate of one percent (1%) per annum above the prime rate (currently 6.5%) of the lender. Under the term loan agreement, the Company is required to make interest only payments on the outstanding principal balance of the note, commencing on February 1, 1992 and monthly thereafter until August 31, 1992. Commencing on September 1, 1992, and thereafter on the first day of each month through December 1, 1996, the outstanding principal amount of the note shall be repaid in equal monthly payments of $250,000. Interest on the outstanding principal balance shall continue to be paid monthly at the rate specified above. On January 1, 1997, the remaining outstanding principal balance shall be payable in full.

Due to the sale during the quarter of property which was part of the collateral for the loan, the term loan balance was reduced to $14,438,000. The reduction in principal will reduce the balance due at the end of the term loan rather than affect the monthly principal payments.

The Company had approximately $630,000 outstanding at May 31, 1992 on its Mobile Home Inventory Floor Plan Line of Credit with a commercial bank in Florida. In March 1992, the bank notified the Company it would not renew the Line of Credit. As homes are sold, the Line of Credit will be reduced accordingly, but not to extend beyond December 31, 1992, at which time the remaining outstanding balance, if any, will be payable. The Company has not decided at this time if it will try to replace this line of credit or fund the homes itself.

Maturities of long-term debt during the Company's next five fiscal years are $3,000,000 per year through fiscal year 1996 and $2,688,000 for fiscal year 1997.

6. SALE OF OPERATING PROPERTIES:

In May 1992, the Company sold Phase I of one of its mobile home communities for $3,425,000. The property was sold for approximately its book value in order to obtain cash for working capital and to service debt. The property was a fifteen-year-old, fully-occupied community that was easily separated from Phase II and was sold at a fair value given today's real estate climate.

7. LEGAL PROCEEDINGS:

A Complaint against the Company was filed in 1987 alleging that the Company should have obtained a Development of Regional Impact Development Order, pursuant to Section 380.06(15), Fla. Stat., prior to commencing development of a project in Orange County, Florida. The Company appealed an order issued on June 4, 1991 by the substitute Secretary of the Department of Community Affairs directing that the Company submit an application for development approval. The appeal was reviewed by the Fifth District Court of Appeals in Daytona Beach, Florida.

On March 27, 1992 the three judge panel reversed the order of the substitute Secretary of the Department of Community Affairs, ruling that the property which was the

subject of the order had vested rights and could be completed without undergoing an application for development approval. The State of Florida has filed a motion with the Florida Supreme Court to invoke the discretionary jurisdiction of the Court.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (THREE AND NINE MONTHS ENDED MAY 31, 1992 COMPARED TO THREE AND NINE MONTHS ENDED MAY 31, 1991)

LIQUIDITY AND CAPITAL RESOURCES --

Effective December 31, 1991, the Company's Revolving Line of Credit expired and the outstanding principal balance of $15,000,000 converted to a term loan. Interest on the term loan accrues at the rate of one percent (1%) per annum above the prime rate (currently 6.5%) of the lender. Under the term loan agreement, the Company is required to make interest only payments on the outstanding principal balance of the note, commencing on February 1, 1992 and monthly thereafter until August 31, 1992. Commencing on September 1, 1992, and thereafter on the first day of each month through December 1, 1996, the outstanding principal amount of the note shall be repaid in equal monthly payments of $250,000. Interest on the outstanding principal balance shall continue to be paid monthly at the rate specified above. On January 1, 1997, the remaining outstanding principal balance shall be payable in full.

During the third quarter of fiscal year 1992, the Company sold three of its residential homes in Atlanta, Georgia for net proceeds of $795,000, of which $562,000 was applied to reduce the principal balance of the term loan.

For the nine months ended May 31, 1992, the Company borrowed approximately $1,441,000 on its Floor Plan Line of Credit and repaid approximately $1,608,000. In March 1992, the bank notified the Company it would not renew the Line of Credit. As homes are sold, the Line of Credit will be reduced accordingly, but not to extend beyond December 31, 1992, at which time the remaining outstanding balance, if any, will be payable.

In May 1992, the Company sold Phase I of one of its mobile home communities for $3,425,000. The property was sold for approximately its book value. The cash will be used for working capital and to service debt.

The Company is currently seeking a loan from the Department of Housing and Urban Development ("HUD") on one of

its apartment complexes in Texas. The expected net proceeds would be approximately $1.2 million and would be used for working capital and to service debt.

Due to recent economic conditions and the lack of available financing for real estate projects, the Company's cash position has been severely impaired. The economic downturn has caused a slower than expected lease-up in the Company's six mobile home parks, as well as slower sales of its land and single-family subdivision lots.

If the financing of the apartment complex through HUD is successful, the Company should be able to meet its near term debt obligations without the sale of any other assets other than sales in the ordinary course of business.

RESULTS OF OPERATIONS --

During the three and nine months ended May 31, 1992, the Company had gains (losses) from real estate sales of approximately $9,000 and ($18,000), respectively, compared with gains of $237,000 and $176,000, respectively, for the three and nine months ended May 31, 1991. Gains on sales or losses are dependent upon the specific assets sold in a particular period and the terms of each sale.

Operating revenues from real estate properties for the three and nine months ended May 31, 1992 increased approximately $113,000 and $176,000, or 6% and 3%, respectively, compared to the three and nine months ended May 31, 1991. The increase was due primarily to higher occupancies at the mobile home parks in Florida. Operating expenses during the three months ended May 31, 1992 decreased $99,000, or 7% compared to the three months ended May 31, 1991 primarily due to a decrease in real estate tax expense. Operating expenses during the nine months ended May 31, 1992 increased $110,000, or 3% compared to the nine months ended May 31, 1991 due to normal operating expense increases at the majority of the Company's operating properties.

During the three and nine months ended May 31, 1992, the Company's losses from mobile home sales increased $234,000 to $352,000 and decreased $76,000 to $637,000, respectively, compared to the three and nine months ended May 31, 1991. The increase in the net losses for the three months was due to a decrease in gross profits as a result of fewer sales compared to the prior year. The decrease in the net losses for the nine months compared to the prior year was

the result of decreased marketing and overhead costs; however, such costs continued to be greater than gross profits on homes sales, generating a net loss.

Income from loans and temporary investments decreased compared to the prior period due to less cash invested in the current period.

Interest expense decreased approximately $58,000 and $221,000, respectively, for the three and nine months ended May 31, 1992 compared to the three and nine months ended May 31, 1991 primarily due to a decrease in the prevailing borrowing rates. Interest expense during the first nine months of fiscal year 1992 and 1991 reflects no capitalized interest.

General, administration and other expenses decreased approximately $2,000, and approximately $161,000, or 9%, respectively, for the three and nine months ended May 31, 1992 compared to the three and nine months ended May 31, 1991. The nine month decrease compared to the prior year was primarily due to decreased insurance costs resulting from the normal course of business.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

State of Florida, Department of Community Affairs v. Ridgewood Properties, Inc. filed with the Division of Administrative Hearings, Tallahassee, Florida on March 3, 1987.

This Complaint alleged that the Company should have obtained a Development of Regional Impact Development Order, pursuant to Section 380.06(15), Fla. Stat., prior to commencing development of a project in Orange County, Florida. The Company appealed an order issued on June 4, 1991 by the substitute Secretary of the Department of Community Affairs directing that the Company submit an application for development approval. The appeal was reviewed by the Fifth District Court of Appeals in Daytona Beach, Florida.

On March 27, 1992 the three judge panel reversed the order of the substitute Secretary of the Department of Community Affairs, ruling that the property which was the subject of the order had vested rights and could be completed without undergoing an application for development approval. The State of Florida has filed a motion with the Florida Supreme Court to invoke the discretionary jurisdiction of the Court.

ITEM 5. OTHER INFORMATION

Intermark, Inc. ("Intermark") is the owner of approximately 75% of the Company's outstanding shares of common stock. Mr. Charles R. Scott, a director of the Company, serves as Chairman of the Board and a director of Intermark. On March 31, 1992, Intermark and its wholly-owned subsidiary Triton Group Ltd. ("Triton") filed a preliminary registration statement with the Securities and Exchange Commission indicating their intent to solicit their bondholders' and shareholders' acceptance of a prepackaged plan of reorganization under Chapter 11 of the United States Bankruptcy Code ("Chapter 11"). Although Triton has failed to make scheduled payments on its subordinated debt, at present the creditors of Intermark and Triton have agreed to certain forbearance and standstill arrangements (which will terminate on July 30) to allow additional time to negotiate a pre-packaged or pre-negotiated plan of reorganization.

If, as a result of the foregoing proceedings or otherwise Intermark either disposes or is required to dispose of its equity interest in the Company, a change of control of the Company would occur.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits:

10(a) Post-Employment Consulting Agreement between Michael E. Tripp and Ridgewood Properties, Inc. dated April 2, 1992

10(b) Amendment to Loan Agreement between Ridgewood Properties, Inc. and First American Bank of Georgia, N.A. dated April 27, 1992

B. Reports on Form 8-K: No reports on Form 8-K were filed during the three months ended May 31, 1992.

SIGNATURES:

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RIDGEWOOD PROPERTIES, INC.

By: _____
N. Russell Walden
President

By: _____
Karen S. Hughes
Vice President,
Chief Accounting Officer

Date: July 10, 1992

Exhibit 10(a)

POST-EMPLOYMENT CONSULTING AGREEMENT

THIS POST-EMPLOYMENT CONSULTING AGREEMENT (the "Agreement") is made and entered into this 2nd day of April, 1992, by and between RIDGEWOOD PROPERTIES, INC., a Delaware corporation with offices at 2859 Paces Ferry Road, Suite 700, Atlanta, Georgia 30339 (the "Company"), and MICHAEL E. TRIPP, an individual residing at 3036 Wellington Court, Atlanta, Georgia 30339 (the "Executive").

W I T N E S S E T H:

WHEREAS, the Executive is currently employed by the Company in the capacity of Vice President - Operations; and

WHEREAS, the Executive is employed as an officer of the Company and as such the Board of Directors of the Company deems it in the best interest of the Company to offer this Agreement to the Executive; and

WHEREAS, the Company and the Executive wish to provide for the Company's retention of the Executive to perform certain consulting services following termination of the Executive's employment by the Company, all upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, FOR AND IN CONSIDERATION of the premises, the mutual covenants and obligations hereinafter set forth, and other and good valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Events of Termination Triggering Consulting Services.

(a) For purposes of this Section 1, the following definitions apply:

(i) "Cause" shall mean that the Executive: (A) has misappropriated, stolen or embezzled funds of the Company; or (B) has committed an act of deceit, fraud, dereliction of duty, or gross or wilful misconduct; or (C) has been convicted of either a felony or a crime involving moral turpitude or entered a plea of nolo contendre in response to an indictment for such crime or felony; or (D) has intentionally disclosed confidential information of the Company except when such disclosure is made pursuant to the direction of the Company or in accordance with company policy; or (E) has engaged in competitive behavior against the Company, has purposely aided a competitor of the Company or has misappropriated or aided in misappropriating a material opportunity of the Company.

(ii) "Good Reason" shall mean, without the written consent of the Executive: (A) a reduction in the Executive's base salary or a reduction in the Executive's benefits received from the Company other than in connection with an across-the-board reduction in salaries and/or benefits for similarly situated employees of the Company or pursuant to the Company's standard retirement policy; or (B) the relocation of the Executive's full-time office to a location greater than fifty (50) miles from the Company's current corporate office; or (C) a reduction in the Executive's corporate title.

(b) The Company shall be obligated to retain the Executive as a consultant only:

(i) upon the execution by the Executive of a release of the Company in the form attached to this Agreement or in such other form as may be deemed necessary by the Company from time to time to provide the Company with a valid and enforceable unconditional release (the "Release Agreement"); and

(ii) in the event of a termination of the Executive's employment with the Company due to one of the following events (hereinafter, a "Qualifying Termination"): (A) the Company's termination of the Executive's employment other than for Cause; or (B) the Executive's voluntary termination of employment with the Company within thirty (30) days of an event qualifying as Good Reason.

2. Consulting Services. Upon the occurrence of a Qualifying Termination and the execution by the Executive of the Release Agreement, the Company shall retain the Executive to perform certain consulting services (the "Consulting Services"), and the Executive shall perform such services, all in accordance with the terms and conditions of this Agreement. The Consulting Services shall consist of the following:

(a) the performance of consulting services to the Company, as and when reasonably requested, to assist the Company in the transition period following termination of the Executive's employment and to answer questions, give testimony and generally cooperate in any Company matters, including litigation;

(b) the general promotion of the goodwill of the Company.

3. Consulting Period.

(a) Subject to the possible extension set forth in subparagraph (b) below, the Executive shall perform the Consulting Services for a period of time (the "Consulting Period")

commencing on the day following a Qualifying Termination and continuing thereafter until the expiration of twelve (12) months.

(b) At such time as the Executive is employed by the Company as an officer for ten (10) years or at such time as the Board of Directors designates the Executive as a senior executive officer, the Consulting Period shall be amended to the expiration of twenty-four (24) months from the Qualifying Termination.

4. Consulting Fee/Benefits.

(a) Subject to the provisions of Sections 5, 6 and 11 hereof, the Executive shall receive during the Consulting Period, as full compensation for the Consulting Services, a fee, payable in equal monthly installments (a "Consulting Fee," and collectively, the "Consulting Fees") equal to the Executive's annual base salary immediately prior to the Qualifying Termination divided by twelve (12). The Executive's annual base salary for purposes of calculating the Consulting Fee shall consist solely of the Executive's base salary, exclusive of any bonuses, commissions, allowances or other means of compensation or benefits made available to the Executive as an employee of the Company. The Consulting Fee for any partial months during the Consulting Period shall be reduced proportionately. The aggregate amount of all Consulting Fees to be paid during the full Consulting Period is sometimes hereinafter referred to as the "Total Consulting Fees."

(b) Subject to the provisions of Section 5 hereof, during the Consulting Period the Company shall also make available to the Executive such medical, dental and vision insurance coverage as may be provided to the Executive by the Company immediately prior to the Qualifying Termination (or such Company medical insurance coverage which is consistent with the coverage in place from time to time for comparable executives of the Company). Such medical insurance coverage shall be provided to the extent available pursuant to the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and, if necessary, pursuant to insurance policies providing comparable benefits to the Executive in the event of the expiration of COBRA benefits. The Executive will be charged a premium equal to fifty percent (50%) of the Company's cost for the medical insurance so provided. Upon expiration of the Consulting Period, the Company may charge the maximum premium permitted under COBRA for any remaining continuation coverage to which the Executive is entitled. Group car and homeowners' insurance, if applicable, may be continued during the term of the Agreement, provided that the Executive agrees to pay all applicable premiums.

(c) Subject to the provisions of Section 5 hereof, during the Consulting Period the Company shall also make

available to the Executive life insurance coverage, if any, as may be provided to the Executive by the Company immediately prior to the Qualifying Termination, provided, however, that the Executive agrees to pay fifty percent (50%) of the Company's cost of such coverage.

(d) The Company shall also reimburse the Executive immediately for pre-approved expenses actually incurred by the Executive at the request of the Company in performance of the Consulting Services.

5. Effect of Re-Employment/Other Compensation.

(a) If at any time during the Consulting Period, the Executive enters into employment ("Re-Employment"), the Executive shall immediately notify the Company in writing of the Executive's monthly compensation to be received from such Re-Employment and any insurance coverage provided pursuant thereto, and the following provisions shall apply:

(i) If the Executive's monthly compensation from Re-Employment is equal to or in excess of the Consulting Fee, the Company shall promptly pay the Executive, in full satisfaction of all obligations to pay the Consulting Fees hereunder, an amount equal to fifty percent (50%) of the remainder of: (A) the Total Consulting Fees less (B) the Consulting Fees actually paid to the Executive prior to Re-Employment. Notwithstanding anything herein to the contrary, upon payment by the Company of the amounts set forth in this Section 5(a)(i), the Company shall cease to have any obligations under the terms of this Agreement and the Consulting Period shall be deemed to immediately expire.

(ii) If the Executive's monthly compensation from Re-Employment is less than the Consulting Fee, the Consulting Fee payable to the Executive for the remainder of the Consulting Period shall automatically be reduced by the amount of the Executive's monthly compensation from Re-Employment; provided, however, that at the end of the Consulting Period the Company shall pay the Executive an amount equal to fifty percent (50%) of the remainder of: (A) the Total Consulting Fees less (B) the actual Consulting Fees paid the Executive during the Consulting Period. The Executive shall immediately notify the Company of any change in the level of compensation received from Re-Employment and, if such compensation increases to a level equal to or in excess of the Consulting Fee, the provisions of Section 5(a)(i) shall then apply.

(b) Provided COBRA requirements have been met, the Company's obligation to provide insurance coverage to the Executive under Section 4(b) hereof shall terminate as to any specific

coverage if and when comparable coverage is made available to the Executive in connection with Re-Employment.

6. Death or Retirement.

(a) If at any time during the Consulting Period during which the Company remains obligated to pay Consulting Fees to the Executive, the Executive dies, the Company shall pay the Executive's estate in full satisfaction of all obligations to the Executive hereunder, an amount equal to one hundred percent (100%) of the remainder of: (A) the Total Consulting Fees less (B) the actual Consulting Fees paid the Executive prior to the Executive's death and less (C) any re-employment compensation received by the Executive pursuant to Re-Employment as described in Section 5 above.

(b) If at any time during the Consulting Period during which the Company remains obligated to pay Consulting Fees to the Executive, the Executive becomes eligible for and receives retirement benefits from the Company, the Company shall pay monthly to the Executive for the remainder of the Consulting Period, a reduced amount equal to the monthly Consulting Fee less any amounts accrued or received by the Executive as retirement payments for such month.

7. Status of the Parties. The Executive, in performance of any Consulting Services hereunder, shall be acting as an independent contractor and shall not be an employee of the Company. The Executive shall not be entitled to any compensation or other benefits given to or provided for the benefit of any employees of the Company, including, without limitation, the right to participate in or receive credit for service under any "employee welfare benefit plan" or "employee pension benefit plan" (as such terms are defined in the Employee Retirement Income Security Act of 1974) and the Executive shall not in any form or fashion maintain, hold out, represent, state or imply to any other individual or entity that an employee/employer relationship exists between the Company and the Executive.

8. Responsibility for Expenses. The Executive hereby recognizes, covenants and agrees that it will be acting as an independent contractor in performing any Consulting Services hereunder, and that except as specifically set forth to the contrary herein, the Executive shall be solely responsible and liable for all expenses, costs, liabilities, undertakings, assessments, taxes, insurance and other obligations incurred by the Executive at any time and for any reason as a result of this Agreement or the performance of the Consulting Services, including, without limitation, withholding taxes, social security taxes and state unemployment taxes.

9. **Nondisclosure; Ownership of Proprietary Property.** The Executive shall regard and treat each item constituting all or any portion of the Company trade secrets and all confidential information as strictly confidential and wholly owned by the Company and will not, for any reason in any fashion, either directly or indirectly use, sell, disclose or distribute any such item or information to any third party for any purpose other than in accordance with the Executive's performance of the Consulting Services.

10. **Stock Options and Stock Purchase Agreements.** Any agreements for or options to purchase the Company's stock held by the Executive at the time of any termination of the Executive's employment with the Company shall be exercisable in accordance with the terms of the applicable stock purchase agreements or stock option plans.

11. **Breach or Default.** Upon the occurrence of any breach or default in the performance of any of the Executive's duties or responsibilities hereunder, and the Executive's failure to cure such breach or default within seven (7) days of receipt of written notice thereof, all obligations of the Company hereunder to compensate the Executive or to provide benefits thereto shall immediately be terminated and rendered null, void and of no further effect, after which the Company shall be entitled to pursue any and all remedies available, at law or in equity, to address the Executive's breach or default hereunder.

12. **No Right to Continued Employment.** Nothing herein shall be construed as giving the Executive any rights to continued employment with the Company, and the Company shall continue to have the right to terminate the Executive with or without cause.

13. **Rights to Indemnification.** Nothing in this Agreement shall be construed as a waiver or limitation upon any rights or entitlements of the Executive to indemnification and liability insurance coverage pursuant to any indemnity agreement, or the Company's certificate of incorporation or Bylaws or the laws of the State of Delaware, common law or otherwise.

14. **Goodwill Covenant.** During the term of this Agreement, the Executive covenants and agrees to refrain from making detrimental statements or taking any action detrimental to the business or goodwill of the Company.

15. **General Provisions.**

(a) **Binding Effect and Assignability.** The rights and obligations under this Agreement shall inure to the benefit of and be binding upon the Executive, the Company and their successors and assigns. Neither this Agreement, nor any rights or obligations of the Executive herein shall be transferable or

assignable by the Executive without the Company's prior written consent, and any attempted transfer or assignment hereof by the Executive not in accordance herewith shall be void.

(b) **Notices**. Any notices or other communications required or permitted hereunder shall be deemed to have been duly given on the date of service if personally served or three (3) days after mailing if mailed by first class mail, registered or certified, postage prepaid and addressed to the parties at their addresses as set forth in the most current records of the Company or to such other address as shall be designated by written notice issued pursuant hereto.

(c) **Entire Agreement**. This Agreement, together with the Release Agreement, contains the entire agreement of the parties relating to the subject matter hereof and supersedes any prior agreements or understandings, oral or written, to the contrary.

(d) **Waiver**. The waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other or subsequent breach of the same or any other term or condition.

(e) **Governing Law**. This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia.

(f) **Severability**. The unenforceability or invalidity of any term, provision or Section of this Agreement shall not affect the validity or enforceability of the remaining terms, provisions, or sections hereof, but such remaining terms, provisions or sections shall be construed and interpreted in such a manner as to carry out fully the intent of the parties hereto.

(g) **Modification**. This Agreement shall not be modified or amended except by a written instrument signed by an authorized representative of all parties executing this Agreement.

IN WITNESS WHEREOF, the Executive has executed this Agreement, and the Company has caused its duly authorized corporate officer to execute this Agreement and affix its seal hereto, all as of the day and year first above written.

"Company"

RIDGEWOOD PROPERTIES, INC.

By: _____
N. Russell Walden, President

(CORPORATE SEAL)

"Executive"

_____(SEAL)
Michael E. Tripp

Exhibit 10(b)

AMENDMENT TO LOAN AGREEMENT

WHEREAS, First American Bank of Georgia, N.A., a national banking association (hereinafter "Lender"), has heretofore made a loan to Ridgewood Properties, Inc., a Delaware corporation (hereinafter "Borrower") in the original principal amount of Fifteen Million and No/100 Dollars ($15,000,000.00) (the "Loan"), which Loan is governed by that certain Loan Agreement dated November 22, 1989, as amended March 1, 1991, and May 8, 1991, and as further amended by that certain Consolidated Amendatory Agreement entered into as of the 31st day of January 1992, and as further amended March 26, 1992, by and between Borrower and Lender (collectively the "Loan Agreement"); and

WHEREAS, the Loan is collateralized by various real properties given by Borrower to Lender as security for the Loan, which real properties are described in the Loan Agreement; and

WHEREAS, the provisions of the Loan Agreement provide for the release of collateral pursuant to a formula described in the Loan Agreement; and

WHEREAS, Borrower is desirous of selling one of the real properties and obtaining Lender's release of such real property from the Deed to Secure Debt which encumbers said property pursuant to the Loan Agreement; and

WHEREAS, the real property to be released is referred to as Property No. 830 - Park on Ivey (Lot 23) ("Lot 23") in Atlanta Georgia, and has a minimum release price of $352,000.00, as referred to on Exhibit "A" to the above-referenced Consolidated Amendatory Agreement; and

WHEREAS, the net sales proceeds available to Borrower from the sale of Lot 23 shall be Two Hundred Ninety-Eight Thousand and No/100 Dollars ($298,000.00); and

WHEREAS, Lender is willing to reduce the release price for Lot 23 from $352,000.00 to $298,000.00 by deferring the payment of the difference of $54,000.00 (the "Deferral Amount"), which Deferral Amount shall be paid by Borrower at a later date;

NOW, THEREFORE, Borrower and Lender hereby amend and modify the Loan Agreement as follows:

1. Lender shall agree to release Lot 23 for a net release price paid to Lender of $298,000.00. The Deferral Amount of $54,000.00, plus the Deferral Amount of $64,000.00, which was deferred by Lender under the Amendment to Loan Agreement dated March 26, 1992, shall be added to the book

value of the next property Borrower shall seek to have released pursuant to the Loan Agreement by paying the release value of such property sought to be released plus the aggregate Deferral Amount of $118,000.00, which aggregate amount shall be paid by Borrower to Lender at the time Borrower shall seek to have the next property released.

2. Lender's willingness to reduce the release price for Lot 23 shall not be deemed as a waiver by Lender of any of the terms, conditions and obligations of Borrower to Lender under the Loan Agreement or under any of the other loan documents evidencing or securing the Loan and Borrower agrees that Lender's execution of this Amendment shall not have the effect of precluding Lender hereafter from declaring any inability of Borrower to satisfy any term, condition or obligation to be a Default Under the Loan Agreement, or under any of the loan documents evidencing or securing the Loan.

3. Except as amended by this Agreement, the Loan Agreement shall otherwise remain in full force and effect in accordance with the terms contained therein and Borrower hereby ratifies and reaffirms each and every term and condition of said Loan Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed by their duly authorized officers and have affixed corporate seals, this 27th day of April, 1992.

Witness

FIRST AMERICAN BANK OF GEORGIA, N.A.

By: _____

Its: _____

[CORPORATE SEAL]

Witness

RIDGEWOOD PROPERTIES, INC.

By: _____

Its: _____

[CORPORATE SEAL]